

STATEMENT OF MONTIE R. DEER
Nominee for Chairman - National Indian Gaming Commission

Senate Committee on Indian Affairs
Washington, D.C.

February 10, 1999

MR. CHAIRMAN, I WANT TO THANK YOU AND THE MEMBERS OF THE COMMITTEE FOR CONDUCTING THIS HEARING ON MY NOMINATION AS CHAIRMAN OF THE NATIONAL INDIAN GAMING COMMISSION. I WOULD ALSO LIKE TO THANK THE COMMITTEE AGAIN FOR ITS CONTINUING SUPPORT OF THE NIGC.

I HAD THE OPPORTUNITY TO APPEAR BEFORE YOU LAST SEPTEMBER AND I CERTAINLY CONSIDER IT MY HONOR AND PRIVILEGE TO APPEAR BEFORE YOU AGAIN TODAY. WITH YOUR PERMISSION MR. CHAIRMAN I WOULD LIKE TO RE-SUBMIT MY PREVIOUS TESTIMONY AND SPEND MY TIME WITH YOU TODAY UPDATING YOU ON TWO ISSUES THAT I KNOW THIS COMMITTEE CONSIDERS TO BE VERY IMPORTANT.

THE FIRST ISSUE IS THE EXPANSION OF THE NIGC. LAST YEAR THE CONGRESS INCREASED THE BUDGET OF THE NIGC BY RAISING THE CAP ON THE AMOUNT OF FEES THE NIGC CAN COLLECT. WE ARE NOW AUTHORIZED TO COLLECT UP TO \$8 MILLION IN FEES FROM BOTH CLASS II AND CLASS III GAMING OPERATIONS. LET ME POINT OUT THAT THE NIGC IS NOT CURRENTLY COLLECTING \$8 MILLION IN FEES. WE CURRENTLY ASSESS FEES AT A RATE THAT PROVIDED FOR A BUDGET OF \$5.3 MILLION FOR 1998. AS WE CONTINUE WITH THE IMPLEMENTATION OF OUR EXPANSION PLAN WE WILL GRADUALLY INCREASE THE FEE. WE EXPECT THAT OUR EXPANSION WILL BE COMPLETE WITHIN TWO YEARS. WE HAVE PREVIOUSLY SUBMITTED TO YOU, MR. CHAIRMAN, OUR EXPANSION PLAN.

MR. CHAIRMAN YOU MAY RECALL WHEN I WAS LAST BEFORE THIS COMMITTEE YOU SYMPATHIZED WITH THE NIGC ON ITS HUGE JOB AND THE LIMITED RESOURCES AND IN PARTICULAR THE FACT THAT WE ONLY HAD SEVEN FIELD INVESTIGATORS. WELL MR. CHAIRMAN, I AM PLEASED TO REPORT THAT SINCE I TESTIFIED LAST YEAR WE HAVE DOUBLED THE SIZE OF OUR FIELD PERSONNEL. DURING THE PAST THREE MONTHS WE HAVE HIRED THREE (3) FIELD INVESTIGATORS, TWO (2) AUDITORS AND TWO (2) FINANCIAL BACKGROUND INVESTIGATORS. IMPORTANTLY, THESE INDIVIDUALS ARE NOT LOCATED IN WASHINGTON D.C. BUT ARE INSTEAD LOCATED IN VARIOUS PLACES THROUGHOUT THE UNITED STATES - NEAR INDIAN COUNTRY.

FURTHER, I AM ALSO PLEASED TO ANNOUNCE THAT WE HAVE OPENED OUR FIRST NIGC FIELD OFFICE IN ST. PAUL, MINNESOTA. ADDITIONALLY, WE HAVE PLANS TO OPEN A FIELD OFFICE IN THE NEAR FUTURE IN TULSA, OKLAHOMA. AFTER THAT WE PLAN TO ESTABLISH NIGC OFFICES IN THE NORTHWEST, CALIFORNIA, AND THE SOUTHWEST.

ON THE REGULATORY FRONT, I AM PLEASED TO ANNOUNCE THAT IN DECEMBER OF LAST YEAR I SIGNED OFF ON THE MINIMUM INTERNAL CONTROL STANDARDS - COMMONLY REFERRED TO AS "MICS." THESE REGULATIONS - WHICH UTILIZE THE BEST PARTS OF SIMILAR REGULATIONS CURRENTLY IN PLACE IN NEVADA AND NEW JERSEY - BOLSTER THE EFFECTIVE OPERATING PROCEDURES OF INDIAN GAMING FACILITIES. THESE REGULATIONS WILL HELP ENSURE INDIAN GAMING INTEGRITY BY LIMITING FRAUD, CORRUPTION AND WILL ASSIST IN OVERALL GAMING ACCOUNTABILITY. OUR REGULATIONS REQUIRE ALL GAMING OPERATIONS TO HAVE THESE STANDARDS IN PLACE BY AUGUST 5, 1999.

IT IS MY PHILOSOPHY THAT ONCE A REGULATORY AGENCY ESTABLISHES A NEW RULE IT SHOULD ALSO TAKE THE ADDITIONAL STEP OF MAKING SURE THAT THE REGULATED COMMUNITY IS AWARE OF THE RULE AND UNDERSTANDS IT. TO THAT END, THE NIGC HAS EMBARKED ON AN AMBITIOUS 14 CITY TRAINING TOUR TO EXPLAIN THE MINIMUM INTERNAL CONTROLS STANDARDS REGULATION AND WHAT WE EXPECT REGARDING COMPLIANCE. I AM PLEASED TO REPORT THAT WE AVERAGE BETWEEN 50 AND 100 TRIBAL REGULATORS AT EACH TRAINING SESSION.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I BELIEVE MY BACKGROUND AS AN EDUCATOR, LAWYER, JUDGE AND ASSISTANT UNITED STATES ATTORNEY HAS EQUIPPED ME TO HANDLE THE ENORMOUS CHALLENGES THIS JOB PRESENTS. I WANT YOU TO KNOW THAT AS A REGULATOR IT IS MY PHILOSOPHY TO FOLLOW THE LAW PURSUANT TO THE DIRECTIONS OF THE U.S. CONGRESS AS MANDATED IN THE INDIAN GAMING REGULATORY ACT. FURTHER, I SINCERELY BELIEVE THAT IF GAMING IS TO CONTINUE TO BE A VALUABLE ECONOMIC TOOL IN THE TRIBES' QUEST FOR SELF-SUFFICIENCY, IT NO DOUBT MUST BE PROPERLY AND THOROUGHLY REGULATED BY THE APPROPRIATE TRIBAL, STATE AND FEDERAL AUTHORITIES. MY PLEDGE TO YOU IS TO KEEP YOU WELL INFORMED OF THE NIGC'S ACTIVITIES AND NEEDS IN THIS REGARD.

AGAIN, I WANT TO THANK THE COMMITTEE FOR THIS OPPORTUNITY TO TESTIFY AND WILL ANSWER ANY QUESTIONS YOU MAY HAVE.